



MICROENTERPRISE ACCESS TO BANKING SERVICES

Performance Monitoring Report

**TWENTY-SEVENTH QUARTER
JULY 1 – SEPTEMBER 30, 2004**

Submitted By:

Chemonics International Inc.
Manila, Philippines

In association with:

Rural Bankers Association of the Philippines

October 2004

Under Contract No. 492-C-00-98-00008-00
United States Agency for International Development
Office of Economic Development and Governance
Manila, Philippines

Executive Summary

This document serves as the Microenterprise Access to Banking Services (MABS) Program's Twenty-seventh Quarterly Performance Monitoring Report, covering the period July 1 through September 30, 2004. It also lays out the workplan for the next quarter.

The MABS program is a USAID-financed effort implemented by the Rural Bankers Association of the Philippines (RBAP) with oversight provided by the Mindanao Economic Development Council (MEDCo). Technical assistance, training, and program management are provided by Chemonics International, a firm contracted by USAID. The MABS program is one of the principal elements of USAID/Philippines' efforts to accelerate the economic transformation of Mindanao and other parts of the Philippines through expanded participation of lower-income groups in productive activities. MABS is directed at bringing about a sizable expansion of banking services—both loans and savings—to microenterprises and other groups at lower socio-economic levels. The MABS Program is designed to assist rural banks in the Philippines to develop the capability to profitably provide loans and deposit services to microenterprises. MABS is working with banks primarily in Mindanao but also supports the expansion of banking services to microenterprises in Luzon and Visayas. In 2003, MABS launched the MABS Service Provider (MSP) Program to accelerate the installation of the *MABS Approach* and to ensure the sustainability of the Program's activities. MSPs— private organizations — were trained and licensed to offer *MABS Approach* Training and Technical Services (MATTS) to interested rural banks.

USAID will implement a third phase of the MABS Program from October 2004 through September 2007. During the extension period, the Program will work at expanding the number of microenterprises served through further reinforcing the capabilities of PBs and by working with thrift banks. The Program, with the MSPs, will also modify the orientation and training of new participating banks (PBs) according to the new, expanded targets. To allow market expansion, existing PBs will be assisted in identifying existing practices that need modification. MABS will also work with MSPs to enable the installation of MATTS to an additional 80 banks per year. To give small farmers and owners of agriculture-based microenterprises access to financial services, MABS will also assist PBs in the development and rollout of a micro agri-loan product. Innovations, such as the use of personal digital assistants (PDAs) and other cost-saving technologies, will also be explored and developed to reduce the costs and increase the efficiency of delivering microfinance services to clients.

Through MABS efforts, a minimum of 350 rural and cooperative rural bank branches in the Philippines will be encouraged and assisted to significantly increase the services they provide to the microenterprise sector. These efforts are intended to demonstrate to PBs that it can be sensible and profitable to offer services to the microenterprise sector as a regular part of their portfolios. In turn, it is expected that the successful example of PBs will encourage many more banks to look seriously at servicing the microenterprise market.

End-of-quarter figures show MABS PBs exceeding all Phase 2 targets (September 2004). MABS provided support to 18 more bank units than the 180-bank unit target. Cumulative number of new borrowers served reached 125% of the target, the active borrowers figure is 113% of the target, and the number of new microdepositors served is 21% over target.

At the close of the Program's Phase 2, MABS has provided direct support to 198 rural banking units, which in turn, have disbursed PhP4.79 billion (around US\$85.7 million) in microloans to more than 156,000 new borrowers since 1999. The 177 lending bank units have more than 65,000 active microborrowers, with an outstanding microloan portfolio of more than PhP469 million (around US\$8.4 million). 242,000 new microdepositors have opened accounts with MABS PBs, bringing the overall total of microdepositors served by MABS PBs to more than 700,000. Microdeposit balances have increased by PhP363 million (US\$6.5 million) for a total of more than PhP85 million (US\$15 million).

Two roundtable conferences were held during the quarter, both focusing on the benefits and impacts of implementing a staff incentives scheme. Participants were provided with the MABS-recommended incentives schemes template, key success factors for implementation, and pre-implementation guidelines and checklists.

MSP trained banks had their first roundtable conference, where they were briefed on the status and plans of the MABS Program. Participants were also given practical advice in MATTS implementation and had consultative workshops with MSP and MABS staff.

In preparation for the Program's Phase 3 activities, MABS conducted initial research on a new micro agri-loan product and developed a course for five interested rural banks. The course presented best practices features of the micro agri-loan products, techniques for effective implementation, costs and risk reduction, and facilitation of rapid loan disbursement.

Accomplishments and Activities during the Twenty-seventh Quarter (July 1 – September 30, 2004):

- Thirty-one MFU officers, managers, and supervisors from 22 Luzon and Visayas PBs attended the Luzon-Visayas Regional Roundtable Conference. The conference focused on microfinance (MF) incentives schemes: the MABS-recommended template, the incentives programs implemented by selected MABS PBs, and those adopted by international MF institutions. The results of a study conducted on the incentives schemes of eight MABS PBs were presented during the conference. The study evaluated the banks' incentives programs, identified key factors for successful implementation, and outlined pre-implementation guidelines.
- Thirty-four MFU supervisors from 18 Mindanao PBs attended the Mindanao Microfinance Supervisors' Forum. The forum gave an overview of marketing and presented tools and techniques for improving marketing and market research.

Forum topics included: creating demand for MF loan products; improving MFU sales skills, market research; and product design. The forum also had sessions on product diagnostics, the objectives of an operations review, and a management information system (MIS) status report.

- MABS Mindanao PBs' Regional Roundtable Conference was held in Davao City, with 33 presidents, managers, and MFU officers from 17 PBs attending. With the theme '*Enhancing Bank Performance Through Staff Incentives*', the conference presented prerequisites for the successful implementation of an incentives scheme and important issues that need to be addressed before adopting an incentives program. Conference participants were given a brief on the Program's status and future plans. Banks also received their mid-year EAGLE ratings, along with an analysis of PBs performance trends.
- Twenty-six participants from 12 Visayas and Mindanao PBs attended a MF refresher course held in Cagayan de Oro City. The course topics were: MF best practices, credit and background investigation (CI/BI), cashflow lending, zero tolerance toward loan delinquency, remedial loan management, time management and marketing.
- Participants from four banks in the Autonomous Region in Muslim Mindanao/Conflict Affected Areas in Mindanao (ARMM/CAAM) attended workshops on savings mobilization and delinquency management. Eleven MFU officers, managers, and internal audit staff from four ARMM/CAAM banks attended a loan delinquency management and internal control workshop. 13 MFU staff from the same four banks attended the savings mobilization workshop.
- Twenty-two participants from five MABS PBs completed the Micro-Agri Loan Product Development Training. The five banks - GreenBank of Caraga, RB Cantilan, Kapatagan Valley Bank, Banco Santiago de Libon, and RB Tacurong – were selected to pilot MABS' micro-agri loan program. The training course had sessions on: micro-agri loan product features; the overall approach to lending, lending terms and conditions; micro-agri loan follow-up and collection; and loan management. The participants were also given an overview of international micro-agri lending practices, guidelines for implementation, and conditions for a successful implementation.
- MSP Associated Resources for Management and Development Inc. (ARMDEV) conducted training on the Market Research Module for its fourth rollout banks, consisting of four Luzon-based rural banks. As part of the module, the trainees had their hands-on practicum on market research at Bangko Mabuhay, a MABS fifth-rollout bank.
- MSP Punla sa Tao Foundation conducted training on the Market Research Module for the MFU staff of Bangko Agricola and delivered classroom training on the Product Development Module to participants from RB Tangub.

- Twenty-two participants from four rural banks, comprising the fourth rollout of MSP ARMDEV, completed the Loan Administration and Management Module, the last module of the *MABS Approach Training and Technical Services* package.
- Representatives from MABS' five new Learning Centers (LCs) attended two training sessions on the standardized program for bank hosting. Training participants were introduced to and oriented on the MABS-developed standardized LCs toolkit. The toolkit is a set of materials – hosting guides, templates, forms, and handouts – which are provided to LCs to help them conduct hosting and field activities systematically. Five managers and MFU officers from the Rural Bank of Sto. Tomas, the Rural Bank of Cantilan, and the Greenbank of Caraga attended the session for Mindanao LCs held in Davao City. Eight representatives from the First Isabela Cooperative Bank, Bangko Mabuhay, Banco Santiago de Libon, and the Rural Bank of Mabitac completed the training for Luzon LCs held in Manila.
- Thirty-six participants from 20 MSP-trained rural banks attended the roundtable meeting of MSP rollout banks, which aimed to provide participants with the practical advice and tools necessary for their banks' initial rollout and MF operations expansion. MABS briefed the conference's participants on the Program's status and plans and provided them with an overview of MABS' Performance Monitoring System and the EAGLE rating system. Consultative workshops on the banks' pilot MF operations were also conducted.
- MABS conducted quality validations on the MFU operations and initial MF product rollouts of ten MSP-trained banks. Rapid operations reviews, focused group discussions with the banks' MATTS core group, market assessments, and surveys were conducted during the validations.
- Quezon rural bankers were briefed on the MABS Program and the *MABS Approach* during the Federation of Quezon Rural Bankers Inc. meeting. Representatives from the Malayan Insurance Company also provided the participants with information on their new micro-insurance product.
- Chemonics submitted the Twenty-sixth Quarterly Performance Monitoring Report.

For the Twenty-eighth Quarter, October 1 – December 31, 2004, MABS will:

- Conduct a MF refresher course for Luzon and Visayas PBs.
- Organize an exposure visit for other ARMM/CAAM banks to observe the MF operations of the Rural Bank of Cotabato.
- Facilitate in the strategic planning sessions of ARMM/CAAM banks.

- Hold a series of training on the MABS Performance Monitoring System (MPMS) for MSP-trained banks.
- Hold the 2nd RB2000 Users' Conference.
- Set up the RB2000 website.
- Coordinate with the RBAP on the expansion of the Bankers Association of the Philippines Credit Bureau to the rural bankers' federation level.
- Develop the RB2000 automated credit bureau data interface and customize the software according to the updated BSP reporting system.
- Develop and pilot-test the new micro-agri loan product with select banks in Mindanao.
- Complete the MABS Progress Report.
- Submit the Twenty-seventh Quarterly Performance Monitoring Report.

Contractor's Report

1. MABS Oversight.

MABS receives overall program guidance from a Steering Committee, composed of a representative from the Office of the President, the Executive Director of the Rural Bankers Research and Development Foundation Inc. (RBRDFI), a USAID representative, the RBAP President, and the Chairperson of the Mindanao Economic Development Council (MEDCo). This committee identifies focal areas for program coverage and formulates and concurs with major policies that guide the MABS Program.

MABS receives guidance and support on implementation matters from a Management Committee. This committee is comprised of the Executive Director of MEDCo and the USAID Cognizant Technical Officer (CTO). The Management Committee approves all expenditures from the MABS Special Activities Fund (SAF), which is used to facilitate the implementation of the activities to be carried out under MABS, including special studies, training, commodity and technical support, incentive schemes, and procuring services of organizations or individuals needed to carry out specialized tasks.

The MABS Program got underway in April 1998 and has been extended to September 2007. It is a cost-plus-fixed-fee (CPFF) completion contract. The estimated cost for the performance of the work required in the contract, exclusive of fixed fee, as amended in August 2004, is \$17,400,000.00. The fixed fee is \$562,830.65. The estimated cost plus fixed fee is \$17,400,000.00. The contract budget is broken down into two Contract Line Item Numbers (CLINs), one for Expanding Access to Banking Services (\$14,374,052.00) and the other for the Special Activities Fund (\$3,025,948.00).

2. Expected Results

The objectives and targets for September 2007 are:

1. Expansion of the average number of borrowers of participating bank units from the present 400 to a new average of 800.
2. All participating bank units initiating lending will have an average of 800 microborrowers after 18 months of operation of the *MABS Approach* to Microfinance.
3. A minimum of 350 rural banks and bank branches from throughout the Philippines will receive MABS assistance.
4. These banks will altogether expand their portfolios to reach a total of at least 250,000 active borrowers by September 2007 and reach 500,000 cumulative new borrowers by September 2007.
5. Enroll at least 400,000 new microdepositors among all participating banks.

6. At least eight of the 18 rural banks which have at least nine branches will be enrolled into the MABS Program and will be offering the *MABS Approach* to Microfinance in the majority of their branches.
7. One or more of the larger thrift banks will be enrolled into the MABS Program and will be offering the *MABS Approach* to Microfinance in a majority of their branches.
8. MABS Service Providers will have the capability of offering MATTS to at least 70 to 80 banks per year.
9. RB2000 will be copyright-protected and will be procured and installed by at least 150 bank units.
10. A micro agri-loan product will be developed and tested. If it appears to be a viable product, it will be disseminated to and offered by at least 50-100 rural bank units.

3. Current Core Activities: MABS Activities

The current 2004 MABS workplan covers the period January 1, 2004 through December 31, 2004. The contractor is responsible for ensuring that these major components are addressed:

1. Bank Strengthening and Anti-Backsliding
2. Sustainable MABS Technical Services
3. Expansion of Banking Services to Religious and Ethnic Minorities
4. Microfinance Policy and Standards
5. Monitoring and Evaluation
6. Other Activities
7. Project Management

Below are highlights of the tasks accomplished in the Twenty-seventh Quarter (July 1 – September 30, 2004) and tasks planned for the Twenty-eighth Quarter (October 1 – December 31, 2004).

1. Bank Strengthening and Anti-Backsliding

To ensure that there is no deterioration in a PB's MFU performance, various activities have been conducted: diagnostic evaluations, organizational and human resource development, systems development and installation, loan product development, preparation of manuals, and improvement of marketing skills. The component also includes training activities such as formal course work, workshops, seminars, on-the-job training, internship, study tours, and other capacity-building initiatives.

Tasks completed in the Twenty-seventh Quarter:

Task One. Hold a Regional Roundtable Conference for Luzon and Visayas PBs. Thirty-one MFU officers, managers, and supervisors from 22 Luzon and Visayas PBs attended the Luzon-Visayas Regional Roundtable Conference. The conference focused on the features of a staff incentives program and the benefits of implementing one. MABS intern and Fulbright scholar Zaki Raheem presented the results of his study, which evaluates the incentives schemes implemented by eight PBs and presents conditions and guidelines for a successful implementation

Task Two. Hold the Mindanao Regional Roundtable Conference. Thirty-three top-level bank and MFU officers from 17 PBs attended the Mindanao Regional Roundtable Conference. In line with the theme ‘*Enhancing Bank Performance Through Staff Incentives*’, the conference presented the benefits of implementing an incentives program



and outlined the prerequisites for successful program implementation. An international microfinance expert gave a presentation on the various incentives schemes adopted by international MFIs.

Task Three. Hold the Mindanao Microfinance Supervisors’ Forum. Thirty-four MFU supervisors from 18 Mindanao PBs participated in the Mindanao Microfinance Supervisors’ Forum. To support PBs marketing initiatives and improve MFU staff’s marketing and selling skills, the forum had sessions on: market research, product design, product diagnostics, and marketing tools and techniques. The forum also had sessions on creating demand for MF products and operations review.

Task Four. Conduct a microfinance refresher training course. Twenty-six participants from 12 Visayas and Mindanao PBs completed a MF refresher course training that covered MF best practices, CIBI, cashflow lending, zero tolerance toward loan delinquency, remedial loan management, time management, and marketing.

Tasks to be completed in the Twenty-eighth Quarter:

Task One. Hold a microfinance refresher course for Luzon and Visayas PBs.

2. Sustainable MABS Technical Services

To ensure the sustainability of the MABS Program’s activities and to accelerate the dissemination of the *MABS Approach* to Microfinance, the Program developed training

and technical services capabilities of private organizations, individuals, and selected MABS PBs.

MSPs are consultants from local firms who have undergone extensive training and hands-on technical assistance. They are authorized as fully capable of assisting rural banks to establish MFUs. MABS Technical Resource Specialists are rural bankers who have been trained to deliver refresher courses while Learning Centers (LCs) are outstanding PBs that best exemplify *MABS Approach* best practices and serve as on-site venues for interested rural banks to visit.

With the official launch of the MSP Program, the certification of MABSTeRS, and the establishment of LCs, the *MABS Approach* will be installed in an increased number of rural banks to ultimately benefit more microentrepreneurs.

Tasks completed in the Twenty- seventh Quarter:

Task One. Host a Roundtable Conference for MSP-trained banks. Thirty-six representatives from 20 MSP-trained banks attended a roundtable conference hosted by MABS. The conference aimed to provide MSP-trained banks with the practical advice and tolls necessary for their MF products' initial rollout and MF operations expansion. Participants were briefed on the Program's status and plans and were given an overview of the EAGLE rating system, RB2000, and the MPMS.

Task Two. Conduct training sessions on the standardized program for bank hosting.



Representatives from MABS LCs attended training sessions on the standardized program for bank hosting, where they were oriented on the MABS-developed standardized LCs toolkit. The toolkit is a set of materials – templates, hosting guides, forms, and handouts- that will help LCs conduct hosting and field activities systematically and effectively.

Task Three. Monitor MSPs' MATTS rollout. MSP ARMDEV completed the

delivery of classroom training to its fourth rollout. Twenty-two participants from four Luzon-based rural banks, comprising ARMDEV's fourth rollout, completed the last MATTS classroom module in September. ARMDEV consultants will provide bank-to-bank technical assistance in the next quarter. MSP Punla sa Tao Foundation conducted classroom training on the Market Research Module and Product Development Module to two new rollout banks.

Task Four. Conduct quality audits of MSP-trained banks' MF operations. To assess the quality of the MSPs' training services and its impact on client banks, MABS conducted

quality audits on ten MSP-trained banks. The results of the audits will be useful for future support to be provided to MSPs and rural, thrift and commercial banks in the Program's third phase.

Tasks to be completed in the Twenty- eighth Quarter:

Task One. Closely monitor the MSP rollout

3. Expansion of Banking Services to Religious and Ethnic Minorities

To reach out to clients in Conflict Affected Areas in Mindanao (CAAM) and the Autonomous Region in Muslim Mindanao (ARMM), the MABS Program aims to install the *MABS Approach* in at least three new PBs and provide technical assistance to at least five new existing PBs.

Tasks Completed in the Twenty- seventh Quarter:

Task One. Conduct workshops on savings mobilization and loan delinquency management. After pilot-testing the Saving Mobilization Module at the Rural Bank of Tacurong, MABS conducted a savings mobilization workshop, which was attended by 13 MFU staff of four ARMM/CAAM banks. Eleven MFU officers, managers, and internal audit staff from the same banks completed the loan delinquency management and internal control workshop.

Tasks to be completed in the eighth Twenty- Quarter:

Task One. Organize an exposure visit for other ARMM/CAAM banks to observe the MF operations of the Rural Bank of Cotabato.

Task Two. Facilitate in the strategic planning sessions of ARMM/CAAM banks.

4. Microfinance Policy and Standards

In coordination with USAID and USAID-financed projects, MABS will undertake a number of policy initiatives related to MF operations of rural banks.

Tasks to be Completed in the Twenty-eighth Quarter:

Task One. Issue compliance certifications to 5th rollout banks

Task Two. Issue compliance certifications to MSP-trained banks.

Task Three. Attend the final Technical Working Group Meeting organized by the National Credit Council to finalize performance standards for microfinance institutions in the Philippines.

5. Monitoring and Evaluation

This component includes activities relating to the establishment of monitoring and evaluation systems for use by the individual PBs, the MABS project team, and RBAP. In addition, special studies, briefs, impact assessments and other evaluations are included in this component.

Tasks Completed in the Twenty-seventh Quarter:

Task One. Continue to evaluate monthly MFU performance. As of September 30, 2004, the 177 bank units reporting to MABS had 65,449 active micro borrowers with an outstanding loan portfolio of PhP469 million (US\$8.37 million). From January 1998 up to September 2004, the number of microdepositors increased by 242,110 and microdeposit balances increased by PhP363 million (US\$6.5 million).

Task Two. Continue close monitoring of portfolio at risk ratios of participant banks. MABS continued to monitor the portfolio at risk ratios of PBs. The consolidated portfolio at risk ratio over 30 days of MABS banks as of September 30, 2004 was 3.69%

Tasks to be completed in the Twenty-eighth Quarter:

Task One. Conduct MPMS Training to MSP-trained banks. MABS will conduct hands-on training sessions on the MPMS for the staff of MSP rollout banks.

Task Two. Continue monitoring of the MPMS rollout.

Task Three. Continue close monitoring of portfolio at risk ratios of participant banks.

6. Other Activities

All initiatives dealing with the development and strengthening of the RBAP, including training specifically directed to this organization, will be programmed under this component.

Tasks Completed in the Twenty-seventh Quarter:

Task One. Conduct the micro agri-loan product development training. Twenty-two participants from five pre-selected MABS PBs completed the micro agri-loan product development training. The training had sessions on: micro-agri lending procedures; loan manual development; client identification; cashflow analysis, and character and background



investigation (CIBI). Preventive measures for curbing loan delinquency and tips on monitoring loan reports were also outlined.

Task Two. Present the MABS Approach and the MABS Program at a meeting of the Federation of Quezon Rural Bankers.

Tasks to be Completed in the Twenty-eighth Quarter:

Task One. Hold the 2nd RB2000 Users' Conference.

Task Two. Set up the RB2000 website.

Task Three. Coordinate with the RBAP on the expansion of the Bankers Association of the Philippines Credit Bureau to the rural bankers' federation level.

Task Four. Conduct training on the Personal Digital Assistant (PDA) Module for CI/BI and Cashflow Interface

Task Five. Develop the RB2000 automated credit bureau data interface

7. Program Management

Program management takes into account meetings, project evaluations, reports submission, visits by Chemonics' home office staff, and other activities related to overall project management.

Tasks Completed in the Twenty-seventh Quarter:

Task One. Submit the Twenty-sixth Quarterly Performance Monitoring Report covering April 1 – June 30, 2004. Chemonics submitted the Twenty-sixth Quarterly Performance Monitoring Report covering April 1 – June 30, 2004.

Tasks to be completed in the Twenty-eighth Quarter:

Task One. Submit the Twenty-seventh Quarterly Performance Monitoring Report covering July 1 – September 30, 2004.

Task Two. Complete the MABS Progress Report.

4. Performance

Status/Achievements vs. expected September 2004 results

Expected results: September 2004	Current Status/Results
1. A minimum of 180 rural bank units (head offices and branches) from throughout the Philippines will receive MABS assistance.	One hundred ninety-eight (198) head offices and branches of 72 rural banks have now received technical assistance from MABS. The 198 bank units consist of the pilot, 1 st to 6 th rollout, and the MSP rollout banks.
2. Participating banks will expand their portfolios to include a total of at least 57,500 active microenterprise borrowers among all PBs. The cumulative number of new borrowers served by MABS PBs should reach a total of at least 125,000 .	As of September 30, 2004, the total number of outstanding MF borrowers for the banks/bank branches reporting was 65,449 or 113.8% of the target. The cumulative number of new borrowers reached by PBs was 156,818 or 125.45% of the target.
3. Increase the number of microenterprise depositors to reach a total of at least 200,000 new microdepositors among all PBs.	As of September 30, 2004, the net change in the number of active micro depositors for the bank branches reporting was 242,110 or 121% of the target.
4. At least half of the PBs will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.	September 30, 2004 figures show that of the 39 MABS banks operating a MFU for more than 12 months, 38 realized a positive net income; only one reported negative net income.

5. An effective and “USAID-accepted” anti-backsliding program focused on PBs that have “graduated” from the MABS Program
- MABS focuses on the following activities to meet this objective:
- (a) Roundtable Discussions with top management of participant banks on methods for addressing backsliding and maintaining best practices; and
 - (b) Microfinance Supervisors’ Forums, which aim to provide MFU supervisors the opportunity to share and learn from each other’s experiences in managing their micro loan portfolio and reinforce best practices.
- At the close of MABS Phase 2, the Program had conducted two National Roundtable Conferences, eight Microfinance Supervisors’ Forums, and four Regional Roundtable Conferences. All of the conference and forum topics are aimed at building PBs’ MF knowledge base and keeping PBs updated on Philippine and international best practices. Previous topics include: loan delinquency management, management of MF operations expansion, marketing, internal control supervision and monitoring, techniques for client retention, performance monitoring and benchmarking, staff management, and the benefits of adopting a staff incentives scheme.

<p>6. An RBAP-MABS MF training and technical services program in place utilizing licensed consultants/organizations capable of carrying out the installation of the <i>MABS Approach</i> in participating rural banks.</p>	<p>Three training and technical capacities launched by the Program in 2003 - the MSP Program, the MABSTeRS, and the LCs – are now fully delivering MATTS to additional rural banks.</p> <p>MSPs are organizations trained and authorized to install the <i>MABS Approach</i> to additional rural banks. At the end of the 27th quarter, the MSPs have completed the delivery of all MATTS modules to 27 additional rural banks.</p> <p>MABSTeRS are microfinance practitioners who have been trained to deliver refresher courses and support the MSPs’ activities. Over a period of ten months, three batches of resource specialists have been trained. Presently, there are 35 trained resource specialists, 12 of whom are accredited.</p> <p>LCs are model PBs that best showcase <i>MABS Approach</i> best practices. There are now seven LCs; three are Mindanao PBs and four are based in Luzon. During the 27th Quarter, MABS further strengthened LCs’ capabilities by conducting training on the standardized program for bank hosting. Through the MABS-developed toolkit, bank hosting and field activities will be conducted systematically.</p>
<p>7. An appropriate fee structure for various services to be offered by RBAP-MABS licensed consultants/organizations to prospective PBs, “graduated” banks, non-PBs, and other institutions developed and implemented.</p>	<p>As of September 30, 2004, the <i>MABS Approach</i> package fee charged by MSPs range from PhP130,000 to PhP166,000 exclusive of miscellaneous and incidental expenses.</p>
<p>8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.</p>	<p>An independent consultant hired under the project worked with the BSP to institute changes that were pilot tested from May to June 2003. These changes were incorporated into the BSP examination manual in July 2003. More than 239 bank examiners were trained in the new procedures in August 2003 and January 2004. In January 2004, the BSP further amended the loan loss provision requirements for MF operations based on recommendations by the independent consultant. MABS also conducted three training sessions to orient 119 BSP examiners on the modifications made to the bank examiner’s manual.</p>

<p>9. Installation of the <i>MABS Approach</i> into at least three new PBs servicing religious and ethnic minority communities in Mindanao.</p>	<p>The ManCom approved the participation of three ARMM/CAAM banks in the Program. These banks have received training and technical assistance in the following areas: gap analysis; senior managers' exposure training; strategic planning; effective banking systems and procedures; improving organizational structure, governance and management capability; and enhancing existing group loan products. MABS conducted training and provided technical assistance on: Product Development, CIBI/Cashflow Analysis, Savings Mobilizations, and Delinquency Management. MABS also provided technical support to ARMM/CAAM banks in the development and rollout of jewelry loans.</p>
<p>10. Significant expansion of the number of clients belonging to ethnic and minority groups of at least five PBs in areas outside of the predominantly minority communities of Mindanao.</p>	<p>The <i>MABS Approach</i> has been installed in eight rural banks in the ARMM/CAAM region. All eight banks are profitably offering microloans and deposits services to predominantly Muslim and ethnic-minority microentrepreneurs.</p>
<p>11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.</p>	<p>The Bankers' Association of the Philippines' Credit Bureau (BAP-CB) program was expanded to Luzon, with two MOUs with BAP-CB signed by one regional confederation and one local federation in Metro Manila. BAP-CB continued to offer training to RBs in collaboration with MABS. A MOU between RBAP and BAP was signed during the RBAP National Convention in April 2004. The MOU will provide a rebate of subscription fees, which will be returned to rural bank federations to expand credit bureau services to more rural banks.</p>
<p>12. Support for the development of an appropriate microfinance software that will enable bank management to have a viable and sustainable microfinance operations.</p>	<p>Version 1.1 of RB2000 was completed and certified by RBAP in April 2003. The BSP validated RB2000 v.1.1 as compliant with their reportorial requirements. MABS is presently monitoring the rollout of the new version. As of September 2004, RB2000 has been installed in 73 Rural Banks (113 bank units).</p>

Administrative Information

CLIN #1 Total Estimated Cost (in USD)	14,374,052.00
1. Expenditures (July 1 - September 30, 2004)	334,497.33
2. Cumulative Expenditures Through September 30, 2004	9,585,594.95
3. Remaining Balance	4,788,457.05
 CLIN #2 Total Estimated Cost (in USD)	 3,025,948.00
1. Expenditures (July 1 - September 30, 2004)	26,074.04
2. Cumulative Expenditures Through September 30, 2004	2,220,012.17
3. Remaining Balance	805,935.83
 Total CLIN #1 & #2 Total Estimated Cost (in USD)	 17,400,000.00
1. Total Expenditures (July 1 - September 30, 2004)	360,571.37
2. Cumulative Expenditures Through September 30, 2004	11,805,607.12
3. Total Remaining Balance	5,594,392.88

Special Activities Fund (SAF) Requests Approved during the Quarter:

SAF No. 91 – Funds for Ten (10) Rural Banks for MABS Support

In November 2003, 25 rural banks qualified for support to receive *MABS Approach* Training and Technical Services (MATTS). SAF 84 provided limited financial support to the 25 rural banks that committed and contracted MABS Service Providers (MSPs) to receive the full MATTS. In seven months, (MSPs) delivered training and technical assistance of all MATTS modules to the 25 rural banks.

Through the approval of SAF Request No.91, MATTS will be provided to an additional ten qualified rural banks. The basic requirements for qualification include CAMELS rating of at least 3.0 or higher, submission of letter of interest, board resolution, certificate of good standing issued by the Rural Bankers Association of the Philippines, and a signed agreement with an MSP.

Status:

As of September 2004, the MABS Management Committee has approved support for 25 additional rural banks, which is still covered by SAF 84, and five additional rural banks under SAF 91. Two of the five banks have already completed the MATTS classroom course.

SAF No. 92 – Training on Proposed Micro-Agri Loan Product under the Micro-Agri Loan Product Activity

SAF 92 will support training for the pilot testing of a new micro-agri loan product for five pilot banks. The development, pilot-test, and possible rollout of the new micro-agri loan product are among the new targets for Phase 3 of the MABS Program. The new product aims to address the financial needs of small farmers and owners of micro agriculture-based businesses. The implementation of the new loan product will make use of the *MABS Approach* cashflow analysis and will not require collateral. Most rural banks offer collateral-based agricultural loans, a practice that is not viable for both banks and farmers. The high risks associated with agricultural lending and the transactions costs bring banks' collateral requirements to a level the small farmer could not meet. Small farmers, moreover, need only small loans.

Ms. Arelis Gomez, a microfinance expert hired by the Program as a short-term consultant, conducted interviews and assessment of the Program's good performing participating banks that serve agricultural areas. The assessment aimed to select PBs that will serve as pilot-test sites for the new product.

Five PBs were recommended to pilot test the micro-loan product: Banco Santiago de Libon, RB Tacurong, Kapatagan Valley Bank, GreenBank of Caraga, and the Rural Bank

of Cantilan. The selection was based on the following criteria: location (services an area with a high concentration of small farmers), commitment from top management, good MFU performance, adequate liquidity, willingness to adopt new approaches and policies, willingness to assign supervisors and account officers, and easy access to facilitate monitoring and follow-up.

Status:

Twenty-two participants from the five banks completed the three-day training held from September 27 to 29 in Davao City. Participants were oriented on the products features and the revised policies and loan approaches. The training course had sessions on: micro-agri loan product features; the overall approach to lending, lending terms and conditions; micro-agri loan follow-up and collection; and loan management. The participants were also given an overview of international micro-agri lending practices, guidelines for implementation, and conditions for success.

Philippines Microenterprise Access to Banking Services
 Chemonics International Inc.
 Contract no. 492-C-00-98-00008-00
 Quarter Number 27, Ending September 30, 2004
 Special Activities Fund

SAF	Title	Results	Date Approved	Status	Budgeted Amount	Expenses To Date Quarter 26	This Quarter				Expenses To Date	Budget Remaining	Budget Overruns	Cumulative Invoiced		
							Invoice 80 Jul-04	Invoice 81 Aug-04	Invoice 82 Sep-04	Quarter 27 Total				Invoiced	Remaining	
															\$2,755,551.00	
1	Best Practices Workshop	Attendance was successful. Participating banks came from 89 rural/cooperative banks in Mindanao. MABS program was defined. Interest in MABS was established.	Apr-98	Closed	\$4,131.00	\$1,545.28					\$0.00	\$1,545.28	\$2,585.72		\$1,545.28	\$2,754,005.72
2	MIS Study	RBRDFI staff involvement in MIS assessment.	Apr-98	Closed	\$805.47	\$283.29					\$0.00	\$283.29	\$522.18		\$283.29	\$2,753,722.43
3	Product Development Workshop	Rural banks and regional Federation presidents were invited. Participants rated invited speakers from CARD and San Leonardo Rural Bank very helpful.	Jun-98	Closed	\$4,728.72	\$3,208.62					\$0.00	\$3,208.62	\$1,520.10		\$3,208.62	\$2,750,513.81
4	Market Survey, Fixed-Price	TRENDS-MBL will conduct a survey of microenterprises in each of the PB market areas. This request also includes 2 research assistants for one month each. Exceeded budget due to forex drop	Jul-98	Closed	\$15,373.81	\$17,162.14					\$0.00	\$17,162.14	(\$1,788.33)	(\$1,788.33)	\$17,162.14	\$2,733,351.67
5	Training Preparation - Boypee Panganiban	Boypee Panganiban will come to Davao for 5 days to assist in preparing training sessions for upcoming regional workshops.	Jul-98	Closed	\$2,155.79	\$1,042.13					\$0.00	\$1,042.13	\$1,113.66		\$1,042.13	\$2,732,309.54
6	RBRDFI Involvement in MIS Development	P. Crisostomo's (RBRDFI) Staff travels	Jul-98	Closed	\$1,640.00	\$3,188.88					\$0.00	\$3,188.88	(\$1,548.88)	(\$1,548.88)	\$3,188.88	\$2,729,120.66
7	Loan Repayment Workshop	B. Pendleton's Loan Repayment workshop	Aug-98	Closed	\$5,734.76	\$3,978.81					\$0.00	\$3,978.81	\$1,755.95		\$3,978.81	\$2,725,141.85
8	Cash Flow Lending workshop	B. Panganiban's Regional Workshops	Sep-98	Closed	\$25,573.29	\$20,142.07					\$0.00	\$20,142.07	\$5,431.22		\$20,142.07	\$2,704,999.78
9	Case Study of PAICOP	D. Capeding, a case study of PAICOP. Exceeded budget due to extension of services	Sep-98	Closed	\$834.87	\$1,552.35					\$0.00	\$1,552.35	(\$717.48)	(\$717.48)	\$1,552.35	\$2,703,447.43
10	Pilot Bank Agreement	Pilot Bank Agreement Implementation	Oct-98	Open	\$72,895.87	\$60,064.78					\$0.00	\$60,064.78	\$12,831.09		\$60,064.78	\$2,643,382.65
11	Panganiban Book Publication	NRBSL Practices	Dec-98	Closed	\$8,461.54	\$7,753.77					\$0.00	\$7,753.77	\$707.77		\$7,753.77	\$2,635,628.88
12	Research Assistant-Roll-out	Luisa Cadiz, RA for Roll-out	Nov-98	Closed	\$3,010.90	\$6,417.42					\$0.00	\$6,417.42	(\$3,406.52)	(\$3,406.52)	\$6,417.42	\$2,629,211.46
13	Mindanao Fed. RB Meeting	Regional Conference	Dec-98	Closed	\$2,448.11	\$456.33					\$0.00	\$456.33	\$1,991.78		\$456.33	\$2,628,755.13
14	Enhancement of MicroBanker	Pilot Bank MIS Enhancement	Dec-98	Closed	\$13,282.07	\$13,976.59					\$0.00	\$13,976.59	(\$694.52)	(\$694.52)	\$13,976.59	\$2,614,778.54
15	RBAP Strategic Planning	Laurel Druben, ITI, fixed-price subcontract	Feb-99	Closed	\$32,996.50	\$25,091.26					\$0.00	\$25,091.26	\$7,905.24		\$25,091.26	\$2,589,687.28
16	NRBSL Exposure Trip	Pilot Bank Managers and staff trip to NRBSL	Feb-99	Closed	\$7,105.41	\$4,854.03					\$0.00	\$4,854.03	\$2,251.38		\$4,854.03	\$2,584,833.25
17	SGV Corporate Finance to RBAP	Canceled	Canceled	Canceled	\$0.00	\$0.00					\$0.00	\$0.00	\$0.00		\$0.00	\$2,584,833.25
18	Follow-up trip by Druben	Start up implementation of RBAP/RBRDFI Strategic Development Program	May-99	Closed	\$30,883.58	\$14,476.06					\$0.00	\$14,476.06	\$16,407.52		\$14,476.06	\$2,570,357.19
19	Training Modules with PBs	Pilot Banks Training Modules	May-99	Closed	\$2,629.48	\$920.44					\$0.00	\$920.44	\$1,709.04		\$920.44	\$2,569,436.75
20	Orientation Course of Senior Officers of New PBs	Workshop Orientation of new PBs done	June-99	Closed	\$8,284.27	\$4,907.72					\$0.00	\$4,907.72	\$3,376.55		\$4,907.72	\$2,564,529.03
21	Commodities and Support	Commodities assistance completed.	July-99	Open	\$178,096.78	\$115,180.72					\$0.00	\$115,180.72	\$62,916.06		\$115,180.72	\$2,449,348.31
22	Training course for MF staff and PBs Supervisors	MF Workshop training course new PBs attended and participated by PBs.	Jul-99	Closed	\$19,211.43	\$14,800.02					\$0.00	\$14,800.02	\$4,411.41		\$14,800.02	\$2,434,548.29
23	ITI subcontract for presentation of finalized plan and full start-up implementation of RBAP/RBRDFI Strategic Development Program	Presentation of finalized plan for RBAP/RBRDFI completed	Aug-99	Closed	\$36,543.00	\$34,456.02					\$0.00	\$34,456.02	\$2,086.98		\$34,456.02	\$2,400,092.27
24	Enhancement of PC Banker system for participant bank RB Ozamis	RB Ozamis PC Banker enhancement delivered	Sep-99	Closed	\$5,331.11	\$4,378.55					\$0.00	\$4,378.55	\$952.56		\$4,378.55	\$2,395,713.72
25	Internship training at Enterprise Bank for MFU of Sarangani and Montevista Banks	Internship completed.	Sep-99	Closed	\$530.97	\$528.57					\$0.00	\$528.57	\$2.40		\$528.57	\$2,395,185.15
26	Enhancement of MicroBanker system for participant banks	Microbanker for PBs enhancement completed	Sept-99	Closed	\$24,987.38	\$22,180.00					\$0.00	\$22,180.00	\$2,807.38		\$22,180.00	\$2,373,005.15
27	Workshop on Zero Tolerance on Past Due Loans	Zero Tolerance workshops completed	Sept-99	Closed	\$7,048.24	\$4,484.07					\$0.00	\$4,484.07	\$2,564.17		\$4,484.07	\$2,368,521.08
28	Canceled	Canceled	Canceled	Canceled	\$0.00	\$0.00					\$0.00	\$0.00	\$0.00		\$0.00	\$2,368,521.08

29	Enhancement of Loan & Savings Ledger	Enhancement of Loans & Savings Ledger completed.	Oct-99	Closed	\$5,440.16	\$4,756.67				\$0.00	\$4,756.67	\$683.49		\$4,756.67	\$2,363,764.41
30	Purchase of MBXD95+	Completed	Nov-99	Closed	\$10,442.84	\$9,398.15				\$0.00	\$9,398.15	\$1,044.69		\$9,398.15	\$2,354,366.26
31	Delinquency Measurement and Control Course	Course done and completed	Nov-99	Closed	\$569.75	\$223.32				\$0.00	\$223.32	\$346.43		\$223.32	\$2,354,142.94
32	Canceled	Canceled	Canceled	Canceled	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00		\$0.00	\$2,354,142.94
33	ST consultancy of Guillermo Bolanos	Completed	Dec-99	Closed	\$22,550.00	\$27,441.91				\$0.00	\$27,441.91	(\$4,891.91)	(\$4,891.91)	\$27,441.91	\$2,326,701.03
34	Use of CLIN2 Funds for MABS expansion	On-going on MIS component.	Dec-99	Open	\$1,300,000.00	\$1,287,270.85				\$0.00	\$1,287,270.85	\$12,729.15		\$1,287,270.85	\$1,039,430.18
35	Canceled	Canceled	Canceled	Canceled		\$0.00				\$0.00	\$0.00	\$0.00		\$0.00	\$1,039,430.18
36	Orentation for Sr. Officers of new PBs	Orientation of done.	Jan-00	Closed	\$3,596.15	\$1,717.76				\$0.00	\$1,717.76	\$1,878.39		\$1,717.76	\$1,037,712.42
37	Refresher course MicroBanker loans module	Course conducted and completed	Jan-00	Closed	\$1,755.09	\$1,339.96				\$0.00	\$1,339.96	\$415.13		\$1,339.96	\$1,036,372.46
38	Microfinance staff training course	Participant Banks MF Training	Jan-00	Closed	\$6,378.00	\$5,061.67				\$0.00	\$5,061.67	\$1,316.33		\$5,061.67	\$1,031,310.79
39	Pilot Banks Reps. Consultation and Evaluation meeting	Pilot Banks Consultation and Evaluation meeting	Jan-00	Closed	\$150.00	\$135.25				\$0.00	\$135.25	\$14.75		\$135.25	\$1,031,175.54
40	Purchase of MicroBanker MBXD95+Software for RB Lebak	Rural Bank of Lebak MBXD95+software delivered	Jan-00	Closed	\$900.65	\$3,362.68				\$0.00	\$3,362.68	(\$2,462.03)	(\$2,462.03)	\$3,362.68	\$1,027,812.86
41	Commodities and Support	PBA and Commodities Support	Feb-00	Open	\$105,057.52	\$71,999.57				\$0.00	\$71,999.57	\$33,057.95		\$71,999.57	\$955,813.29
42	Consultation and Evaluation meeting with roll out banks	Rollout banks and evaluation meet	Feb-00	Closed	\$1,767.61	\$1,487.51				\$0.00	\$1,487.51	\$280.10		\$1,487.51	\$954,325.78
43	Purchase of MicroBanker and related services Oroquieta/Green	Microbanker and related services of RB Oroquieta and Green Bank	Mar-00	Closed	\$5,707.20	\$1,598.63				\$0.00	\$1,598.63	\$4,108.57		\$1,598.63	\$952,727.15
44	Consultation and Planning Meeting with the RBAP ExeCom	RBAP Excom Consultation and Planning Meeting conducted.	Mar-00	Closed	\$618.75	\$311.57				\$0.00	\$311.57	\$307.18		\$311.57	\$952,415.58
45	Support Expansion to Branches	Support for expansion to branches	Apr-00	Open	\$35,750.00	\$1,226.42				\$0.00	\$1,226.42	\$34,523.58		\$1,226.42	\$951,189.16
46	Workshop on Cashflow Lending	Cashflow Lending Workshop of Rural Bankers in Mindanao completed	May-00	Closed	\$6,045.61	\$3,654.26				\$0.00	\$3,654.26	\$2,391.35		\$3,654.26	\$947,534.90
47	Enhancement for Hardcode Computer System for RB- Talisayan	Hardcode Computer System for RB Talisayan enhancement completed	May-00	Closed	\$4,778.67	\$4,122.73				\$0.00	\$4,122.73	\$655.94		\$4,122.73	\$943,412.17
48	Purchase of Microbanker MBXD95 and Software for CRB Bukidnon	Microbanker MBXD95 + Software for CRB Bukidnon delivered.	May-00	Closed	\$872.64	\$389.11				\$0.00	\$389.11	\$483.53		\$389.11	\$943,023.06
49	Canceled	Canceled		Canceled		\$0.00				\$0.00	\$0.00	\$0.00		\$0.00	\$943,023.06
50	Consultation and Planning Workshop with RBAP and MABS Technical	RBAP and MABS Technical Consultation and Planning Workshop	Jun-00	Closed	\$1,561.90	\$1,125.51				\$0.00	\$1,125.51	\$436.39		\$1,125.51	\$941,897.55
51	Big Byte Savings & Loans System for RB of Montevista	Enhancement of Big ByteShoppe Savings & Loans System	Jan-00	Closed	\$5,136.79	\$4,113.04				\$0.00	\$4,113.04	\$1,023.75		\$4,113.04	\$937,784.51
52	SEEP/APPEND Financial Ratio Analysis Course	Technical staff attended Financial Ratio Analysis Course	Aug-00	Closed	\$537.78	\$243.52				\$0.00	\$243.52	\$294.26		\$243.52	\$937,540.99
53	MABS Phase out Consultative Meeting	Pilot Banks President, Gen. Manager and MFU Supervisor and MABS Management attended the Consultative Meeting	Sept-00	Closed	\$220.00	\$204.16				\$0.00	\$204.16	\$15.84		\$204.16	\$937,336.83
54	New RBAP Technical Staff Salaries & Support	On-going	Nov-00	Open	\$96,289.86	\$82,482.20	\$4,902.52	\$1,836.25	\$71.43	\$6,810.20	\$89,292.40	\$6,997.46		\$89,292.40	\$848,044.43
55	Training course for Sr. Management and MF Staff and Supervisors for Luzon and Visayas Banks	Conducted workshops/trainings in the Visayas and Luzon	Apr-01	Closed	\$9,085.71	\$6,754.41				\$0.00	\$6,754.41	\$2,331.30		\$6,754.41	\$841,290.02
56	Impact Evaluation Study	Evaluation completed	Jun-01	Closed	\$1,345.05	\$1,348.64				\$0.00	\$1,348.64	(\$3.59)	(\$3.59)	\$1,348.64	\$839,941.38
57	Travel to Hongkong of Ms. Solis & Pineda	Attended by Mrs. Solis and Mrs Pineda from RB of Sto Tomas.	Aug-01	Closed	\$3,478.16	\$2,982.62				\$0.00	\$2,982.62	\$495.54		\$2,982.62	\$836,958.76
58	Credit Reference Bureau Development Support	On-going	Sep-01	Open	\$2,480.43	\$1,778.53				\$0.00	\$1,778.53	\$701.90		\$1,778.53	\$835,180.23
59	Training on USAID admin and financial management requirements	Two MABS staff attened the training	Feb-02	Closed	\$717.05	\$0.00	\$721.70			\$721.70	\$721.70	(\$4.65)	(\$4.65)	\$721.70	\$834,458.53
60	Roundtable events for Senior Management	Conducted twice in Davao, and once in Dipolog City and Cebu City	Mar-02	Closed	\$4,536.53	\$4,434.02				\$0.00	\$4,434.02	\$102.51		\$4,434.02	\$830,024.51
61	Videos for RBAP-MABS	Produced videos of MABS successes	Mar-02	Closed	\$4,180.09	\$4,150.92	\$10.10			\$10.10	\$4,161.02	\$19.07		\$4,161.02	\$825,863.49
62	Strategic Planning for New Banks in Mindanao	Attended by Mgt. Staff of RB of Paglas, RB of Isulan and Maranao Bank	Apr-02	Closed	\$4,871.83	\$4,306.32				\$0.00	\$4,306.32	\$565.51		\$4,306.32	\$821,557.17
63	Funds for Three (3) Participant Rural Banks: Commodities and Other Support	On-going	Jun-02	Open	\$42,932.44	\$16,093.79	\$653.58			\$653.58	\$16,747.37	\$26,185.07		\$16,747.37	\$804,809.80
64	Funds for Conduct of the MFU Supervisor Forum	Conducted in Dipolog in July 2002	Jul-02	Closed	\$1,768.05	\$844.26				\$0.00	\$844.26	\$923.79		\$844.26	\$803,965.54

Annex 1.2 SAF Tracker

65	N/A	Canceled	Canceled	Canceled	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00		\$0.00	\$803,965.54
66	Funds for Participant Rural Bank: Commodities & Other Support	On-going	Sep-02	Open	\$8,461.54	\$193.44				\$0.00	\$193.44	\$8,268.10		\$193.44	\$803,772.10
67	Microfinance Supervisors' Forum #2 and 3 Mindanao Partners Banks	On-going	Oct-02	Closed	\$3,115.56	\$2,385.49				\$0.00	\$2,385.49	\$730.07		\$2,385.49	\$801,386.61
68	BSP Participation in the MABS Modular Training Course	On-going	Oct-02	Open	\$988.29	\$0.00				\$0.00	\$0.00	\$988.29		\$0.00	\$801,386.61
69	PDA Loan Collection Module Enhancement of the MB System	On-going	Jan-03	Open	\$857.45	\$519.03				\$0.00	\$519.03	\$338.42		\$519.03	\$800,867.58
70	MABS PSP Market Demand Study	Survey done March 27, 2003	Feb-03	Closed	\$639.17	\$528.87				\$0.00	\$528.87	\$110.30		\$528.87	\$800,338.71
71	Development/Production of RBAP/MABS Videos	Videos approved and delivered	Feb-03	Closed	\$3,142.36	\$2,480.13				\$0.00	\$2,480.13	\$662.23		\$2,480.13	\$797,858.58
72	Development of MABS Technical Support Providers	On-going	Mar-03	Open	\$20,564.66	\$13,970.57	\$1,541.63	\$254.78	\$252.74	\$2,049.15	\$16,019.72	\$4,544.94		\$16,019.72	\$781,838.86
73	Senior Management Orientation for 6th Roll Out Banks	Done Mar 26-27, 2003	Mar-03	Closed	\$693.99	\$668.02				\$0.00	\$668.02	\$25.97		\$668.02	\$781,170.84
74	Microfinance Supervisors' Forum #4 and 5	On-going	May-03	Open	\$2,546.79	\$449.63				\$0.00	\$449.63	\$2,097.16		\$449.63	\$780,721.21
75	Global Summit for Women in Marakech	Attended by a delegate from RB of Tacurong	May-03	Closed	\$2,399.02	\$1,748.70				\$0.00	\$1,748.70	\$650.32		\$1,748.70	\$778,972.51
76	Funds for commodities and other support of three (3) participating banks	On-going	Jun-03	Open	\$9,409.12	\$1,729.98	\$653.58		\$960.51	\$1,614.09	\$3,344.07	\$6,065.05		\$3,344.07	\$775,628.44
77	MABS Training Materials for Web Production	On-going	Jul-03	Open	\$6,096.42	\$2,032.54				\$0.00	\$2,032.54	\$4,063.88		\$2,032.54	\$773,595.90
78	Support for BSP Training in MF Examination	Examiners training on microfinance conducted	Jul-03	Closed	\$1,392.80	\$992.00				\$0.00	\$992.00	\$400.80		\$992.00	\$772,603.90
79	Video Production for MABS Approach	On-going	Aug-03	Open	\$12,056.92	\$7,870.66				\$0.00	\$7,870.66	\$4,186.26		\$7,870.66	\$764,733.24
80	Support for RBAP Cost accounting system	On-going	Aug-03	Open	\$1,470.32	\$0.00			\$1,375.00	\$1,375.00	\$1,375.00	\$95.32		\$1,375.00	\$763,358.24
81	MSP Program Roll Out	On-going	Oct-03	Open	\$6,892.12	\$4,218.53				\$0.00	\$4,218.53	\$2,673.59		\$4,218.53	\$759,139.71
82	Microfinance Council	Attended by RB of Kapatagan Valley manager	Oct-03	Closed	\$278.63	\$200.28				\$0.00	\$200.28	\$78.35		\$200.28	\$758,939.43
83	2003 MABS ME Clients Survey	Survey done by Ateneo de Davao.	Nov-03	Closed	\$3,286.89	\$3,237.43				\$0.00	\$3,237.43	\$49.46		\$3,237.43	\$755,702.00
84	MABS Rollout Support Program for Rural Banks	On-going	Nov-03	Open	\$33,723.02	\$5,357.14	\$6,696.42	\$3,482.13		\$10,178.55	\$15,535.69	\$18,187.33		\$15,535.69	\$740,166.31
85	MABS support to train other MABSTers	On-going	Jan-04	Open	\$1,227.28	\$580.23				\$0.00	\$580.23	\$647.05		\$580.23	\$739,586.08
86	MABS support for 2 other banks in AARM/CAAM	On-going	Apr-04	Open	\$11,273.93	\$192.50	\$326.79			\$326.79	\$519.29	\$10,754.64		\$519.29	\$739,066.79
87	RB2000 User Conference	On-going	Feb-04	Open	\$4,404.10	\$737.51				\$0.00	\$737.51	\$3,666.59		\$737.51	\$738,329.28
88	Video Production for EAGLE Awards 2004	On-going	Feb-04	Open	\$4,743.66	\$4,394.09				\$0.00	\$4,394.09	\$349.57		\$4,394.09	\$733,935.19
89	Video Production for EAGLE Awards 2004	On-going	Feb-04	Open	\$3,071.81	\$1,665.60	(\$53.57)			(\$53.57)	\$1,612.03	\$1,459.78		\$1,612.03	\$732,323.16
90	Performance Monitoring System Training	On-going	Feb-04	Open	\$2,421.96	\$1,333.91	\$34.57			\$34.57	\$1,368.48	\$1,053.48		\$1,368.48	\$730,954.68
91	MABS Rollout Support Program for 10 Additional Rural Banks	On-going	May-04	Open	\$13,494.06	\$0.00				\$0.00	\$0.00	\$13,494.06		\$0.00	\$730,954.68
92	Micro-Agri Loan Product Training for Pilot Banks	On-going	Sep-04	Open	\$3,500.18	\$0.00				\$0.00	\$0.00	\$3,500.18		\$0.00	\$730,954.68
93	MABS support for new RCs 2004-2005	On-going	Oct-04	Open	\$40,178.57	\$0.00				\$0.00	\$0.00	\$40,178.57		\$0.00	\$730,954.68
						\$0.00				\$0.00	\$0.00	\$0.00		\$0.00	\$730,954.68
						\$0.00				\$0.00	\$0.00	\$0.00		\$0.00	\$730,954.68
SUBTOTAL					\$2,408,577.28	\$2,000,876.16	\$14,755.52	\$6,304.96	\$2,659.68	\$23,720.16	\$2,024,596.32	\$383,980.96	(\$15,517.91)	\$2,024,596.32	\$730,954.68
General & Administrative Costs						\$88,490.91	\$663.99	\$315.27	\$132.99	\$1,112.25	\$89,603.16			\$89,603.16	\$36,679.84
Fee					\$104,494.34	\$770.95	\$331.04	\$139.64	\$1,241.63	\$105,735.97				\$105,735.97	\$38,378.03
GRAND TOTAL						\$2,193,861.41	\$16,190.46	\$6,951.27	\$2,932.31	\$26,074.04	\$2,219,935.45			\$2,219,935.45	\$806,012.55

MABS Philippines Home Office Reports Tracker
Contract No. 492-C-00-98-00008-00

Technical Deliverables	Submitted By	Report Date	Submitted to CDIE	Electro nic	HO Hard Copy
An Alternative Approach to Rural Financial Intermediation (The Philippine Experience)	Meliza Agabin/Jorge L. Daly	May 1, 1996	Yes	Yes	
A Survey of Microenterprise Client of MABS Partner Banks Survey Results, Sampling and Data Tables	M. Agabin/C. Cornejo/D.Capeding	September 1, 2001	Yes	Yes	
BSP Inception Report	Carlos Alba	October 1, 2002	Yes	yes	
BSP Examination and CAMELS Manual for Microfinance Loans	Carlos Alba	February 1, 2003	Yes	No	Yes
Cash Flow Lending and Loan Pricing Seminar Report	Andres Panganiban	December 1, 1998	Yes	No	Yes
Completion Report (Seminar on Microfinance Products of Rural Bank of Talisayan) (final draft)	Chemonics International	November 14, 1998	Yes	No	Yes
Consultancy Completion Report	Ms. C.y. Nunez-Ollero	August 3-27, 1998	Yes		Yes
Consultancy Completion Report	Ms. Meliza H. Agabin	September 15, 1998	Yes		Yes
Deposits & Loan Management System Study	Peter Glibbery	April 1, 1999	Yes		Yes
Evaluation of the Pilot Phase of MABS-M Program	Virginia Abiad	March 22, 1999	Yes	Yes	
Familiarization with Related USAID Projects (MABS-M Brief)	Chemonics International	September 1, 1998	Yes	Yes	
Feasibility Study: Expanding MABS' Outreach to Muslim Clients	L.Doerring/R. Quinones/C. Cornejo	April 20, 2001	Yes	Yes	
First Operations Review of NMTK Micro Loan of Enterprise	C. Diddiquin/B. Bunao/R. Quinones	March 2002	Yes	Yes	
Innovations to Increase Access to Microcredit	Gerald Andersen	September 1, 1998	Yes		Yes
Private Service Provider Installation of MABS Approach	Michael Alcorn	November, 2002	Yes	Yes	
MABS Service Provider Program	Michael Alcorn	May 1, 2003	Yes	Yes	
Microenterprise Sector Study	Raike Quinones	June 1, 1997	Yes		Yes
RBAP Strategic Development Plan 2000-2003	Laurel Druben	May 1, 1999	Yes		Yes
Microenterprise Survey Report - Digos, Davao Del Sur	Arah Limpao & Raike Quinones	February 1, 1999	Yes	Yes	
Microenterprise Survey Report - Sto. Tomas, Davao Province	Arah Limpao & Raike Quinones	February 1, 1999	Yes	Yes	

Microfinance and the Bank Regulatory Environment	Bill Pendleton	September 25, 1998	Yes		Yes
Mindanao Rural Banks: Funding Sources and Credit Programs for Microenterprises (Final Draft)	Meliza Agabin & Arah Limpao-Osorio	December 1, 1998	Yes	Yes	
MIS Assessment of Candidate Pilot Bank	Peter Glibbery & A. Petalcorin	Aug-98	Yes		Yes
Panabo Agro-Industrial Cooperative An Integrated Rice Commodity System (A Case Study)	Dehlia Capeding	December 1, 1998	Yes		Yes
Reports on Financial Trends in Mindanao		May 1, 2002	Yes	Yes	
Rural Bank Market Survey	Arah Sadava	October 1, 2002	Yes	Yes	
Rural Banks and Microfinancing	Joseph Y. Lim	December 1, 1998	Yes	Yes	
Service Provider Feasibility Study		February 1, 2002	Yes	Yes	
Training Program Report	Bill Pendleton	September 30, 1998	Yes		Yes
Market Study to Expand Microfinance in MABS Bank	Anita Campion	October, 2003	Yes	Yes	
MABS Technical Assistance Manual			Yes	Yes	
Work Plans	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Year 1 Work Plan (1998)	Chemonics International	Dec-97	Yes	Yes	
Year 2 Work Plan (1999)	Chemonics International	Dec-98	Yes	Yes	
Year 3 Work Plan (2000)	Chemonics International	Dec-99	Yes	Yes	
Year 4 Work Plan (2001)	Chemonics International	Dec-00	Yes	Yes	
Year 5 Work Plan (2002)	Chemonics International	Dec-01	Yes		Yes
Year 6 Work Plan (2003)	Chemonics International	Dec-02	Yes	Yes	
Quarterly Progress Reports	Submitted By	Report Date	Submitted to CDIE	HO Electronic Files	HO Hard Copy
Quarterly Performance Monitoring Report (First)	Chemonics International	April 1, 1998	Yes	Yes	
Quarterly Performance Monitoring Report (Second)	Chemonics International	July 1, 1998	Yes	Yes	
Quarterly Performance Monitoring Report (Third)	Chemonics International	October 1, 1998	Yes	Yes	
Quarterly Performance Monitoring Report (Fourth)	Chemonics International	January 1, 1999	Yes	Yes	
Quarterly Performance Monitoring Report (Fifth)	Chemonics International	April 1, 1999			
Quarterly Performance Monitoring Report (Sixth)	Chemonics International	July 1, 1999	Yes		Yes
Quarterly Performance Monitoring Report (Seventh)	Chemonics International	October 1, 1999	Yes		Yes

Annex 1.3 Reports Tracker

Quarterly Performance Monitoring Report (Eight	Chemonics International	January 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Ninth	Chemonics International	April 1, 2000	Yes	Yes	
Quarterly Performance Monitoring Report (Tenth	Chemonics International	July 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Eleventh	Chemonics International	October 1, 2000	Yes		Yes
Quarterly Performance Monitoring Report (Twelfth	Chemonics International	January 1, 2001			
Quarterly Performance Monitoring Report (Thirteenth	Chemonics International	April 1, 2001	Yes	Yes	
Quarterly Performance Monitoring Report (Fourteenth	Chemonics Internatioinal	July 1, 2001	Yes	Yes	
Quarterly Performance Monitoring Report (Fifteenth	Chemonics International	November 1, 2001	Yes	Yes	
Quarterly Performance Monitoring Report (Sixteenth	Chemonics International	February 1, 2002	Yes	Yes	
Quarterly Performance Monitoring Report (Seventeenth	Chemonics International	May 1, 2002	Yes	Yes	
Quarterly Performance Monitoring Report (Eighteenth	Chemonics International	July 1, 2002	Yes	Yes	
Quarterly Performance Monitoring Report (Nineteenth	Chemonics International	November 1, 2002	Yes	Yes	
Quarterly Performance Monitoring Report (Twentieth	Chemonics International	February 1, 2003	Yes	Yes	
Quarterly Performance Monitoring Report (Twenty-first	Chemonics International	April 1, 2003	Yes	Yes	
Quarterly Performance Monitoring Report (Twenty-second	Chemonics International	July 1, 2003	Yes	Yes	
Quarterly Performance Monitoring Report (Twenty-third	Chemonics International	November 1, 2004	Yes	Yes	
Quarterly Performance Monitoring Report (Twenty-fourth)	Chemonics International	January 1, 2004	Yes	Yes	
Quarterly Performance Monitoring Report (Twenty-fifth)	Chemonics International	April 1, 2004	Yes	Yes	Yes
Quarterly Performance Monitoring Report (Twenty-sixth)	Chemonics International	July 1, 2004	Yes	Yes	Yes

Microenterprise Access to Banking Services (MABS) Program

July 2004 Highlights

Luzon-Visayas Regional Roundtable Conference

Thirty-one microfinance unit (MFU) officers, managers, and supervisors from 22 Luzon and Visayas participating banks (PBs) attended the Luzon-Visayas Regional Roundtable Conference held July 8 in Manila. The theme of the conference was *"Enhancing Bank Performance Through Staff Incentives Scheme"*.

Retired Gen. William Hotchkiss, President of the Rural Bank of Cantilan (RBC), outlined RBC's personnel incentive program and shared the results and benefits of implementing the scheme. Mr. Zaki Raheem, a Fulbright scholar and an intern of the MABS Program, presented the results of his study on the performance-based incentive schemes of selected MABS PBs. The study evaluated the present incentives schemes of eight PBs, cited key factors of a successful scheme, and gave a checklist of things to consider for implementing an incentives scheme.

Workshops for ARMM/CAAM Banks

Participants from four banks in the Autonomous Region in Muslim Mindanao/Conflict Affected Areas in Mindanao (ARMM/CAAM) attended two workshops on savings mobilization and delinquency management and internal control; both workshops were held in Davao City.

Eleven MFU officers, managers, and internal audit staff from four ARMM/CAAM banks attended a loan delinquency management and internal control workshop held July 26-27. The savings mobilization workshop on July 28-30 was attended by 13 MFU staff from four banks. The savings mobilization training module was pilot-tested last month at the Rural Bank of Tacurong.

Small and Medium Enterprise Development (SMED) Week

As part of the observance of the SMED Week on July 19-23, a Small and Medium Enterprise Exposition showcasing small and medium enterprise (SME) products was held at the Megatrade Hall of the SM Megamall in Mandaluyong City.

The weeklong celebration aimed to provide support for SMEs and increase awareness on the role of SMEs in the overall economic development plan. The Rural Bankers Association of the Philippines and the MABS Program were among the exposition's exhibitors.



Gen. William Hotchkiss, (left) Rural Bank of Cantilan President, delivers his presentation during the Luzon-Visayas Regional Roundtable Conference.

Ms. Stephanie Charitonenko, MABS Program Manager, shared the staff incentive systems adopted by international microfinance institutions. Participants were also briefed on the Program's mid-year status and future plans, and received the mid-year EAGLE rating for their banks.

Visayas-Mindanao MF Refresher Course

Twenty-six participants from 12 Visayas and Mindanao PBs attended a microfinance refresher course held from July 19 to July 23 in Cagayan de Oro City.

The course topics include: microfinance best practices, credit and background investigation (CI/BI), cashflow lending, zero tolerance toward loan delinquency, remedial loan management, time management and marketing. The Program regularly conducts refresher courses as an anti-backsliding measure.



ARMDEV Conducts Market Research Module Training

MABS Service Provider Associated Resources for Management and Development Inc. (ARMDEV) conducted training on the Market Research Module for its fourth rollout banks, consisting of four Luzon-based rural banks, on July 19-21 at the RBAP Building in Manila. As part of the module, the trainees had their hands-on practicum on market research at Bangko Mabuhay, a MABS fifth-rollout bank.

Microenterprise Access to Banking Services (MABS) Program

August 2004 Highlights

Learning Centers' Standardized Program for Bank Hosting Training

Representatives from MABS' five new Learning Centers (LCs) attended two training sessions on the standardized program for bank hosting conducted in August. Training participants were introduced to and oriented on the MABS-developed standardized LCs toolkit. The toolkit is a set of materials – hosting guides, templates, forms, and handouts – which are provided to LCs to help them conduct hosting and field activities systematically.

Five managers and microfinance unit (MFU) officers from the Rural Bank of Sto. Tomas, the Rural Bank of Cantilan, and the Greenbank of Caraga attended the session for Mindanao LCs held on August 6 at the Marco Polo Hotel in Davao City. Eight representatives from the First Isabela Cooperative Bank, Bangko Mabuhay, Banco Santiago de Libon, and the Rural Bank of Mabitac completed the training for Luzon LCs held August 19 in Manila.

LCs are model MABS participating banks (PBs) with the capability to orient other rural banks on the *MABS Approach*. These banks will serve as sites of exposure visits and short training courses for other rural banks interested in installing the *MABS Approach*. With the accreditation of the five banks as LCs, there are now seven LCs nationwide, complementing the continuing MABS Service Provider (MSP) nationwide rollout.



Luzon LCs Training for Standardized Bank Hosting Training participants with MABS Chief of Party John Owens (second row, third from right) and MABS Training Coordinator Raymundo Roxas (extreme left).

Mindanao Microfinance Supervisors' Forum

Thirty-four MFU supervisors from 18 Mindanao participating banks attended the Mindanao Microfinance Supervisors' Forum held from August 24-25 in Davao City. The forum focused on tools and techniques for improving marketing, market research, and operations review.

Forum topics included: creating demand for microfinance loan products; improving MFU sales skills, market research, and

product design; and sessions on product diagnostics and the objectives of an operations review. MABS also gave a management information system (MIS) status report.

Mindanao Regional Roundtable Conference

The MABS Mindanao PBs Regional Roundtable Conference was held August 26 at the Grand Regal Hotel, Davao City, with 33 presidents, managers, and MFU officers from 17 PBs attending. The conference focused on enhancing bank performance through adopting a staff incentives scheme.



Ms. Arelis Gomez, an international microfinance expert, addresses the participants of the Mindanao Roundtable Conference; Ms. Gomez gave a presentation on the incentive schemes adopted by international microfinance institutions.

Conference participants were given a brief on the Program's status and future plans. Banks also received their mid-year EAGLE ratings, along with an analysis of PBs performance trends.

Ms. Arelis Gomez, an international microfinance expert from the Dominican Republic, gave a presentation on staff incentives schemes adopted by selected international microfinance institutions. Mr. Zaki Raheem, a Fulbright scholar and an intern of the Program, presented the results of the study he conducted on the performance based incentive schemes implemented by eight MABS PBs. Rural Bank of Cantilan President Ret. Gen. William Hotchkiss shared the benefits of having a performance-based incentives scheme.

MABS provided conference participants with an outline of the Program-recommended incentives scheme and oriented them on the scheme's template. In addition, participants were also oriented on microinsurance by representatives from the Malayan Insurance Group.

Punla Conducts Training on Market Research, Product Development Modules

MABS Service Provider Punla sa Tao Foundation conducted training on the Market Research Module for the MFU staff of Bangko Agricola from August 4-6. Punla consultants delivered classroom training on the Product Development Module to participants from RB Tangub on August 12-17.

Microenterprise Access to Banking Services (MABS) Program

September 2004 Highlights

MSP Rollout Banks Roundtable Meeting

A roundtable meeting of MABS Service Provider (MSP) rollout banks was held September 28 at the World Trade Institute of the Ramon Magsaysay Center in Manila. Thirty-six participants from 20 MSP-trained rural banks attended the conference, which aimed to provide participants with the practical advice and tools necessary for their banks' initial rollout and microfinance operations expansion.

MABS briefed the conference's participants on the Program's status and plans and provided them with an overview of MABS' Performance Monitoring System and the EAGLE Rating system. Consultative workshops on the banks' pilot microfinance operations were also conducted.

Representatives from two MSP rollout banks, RB Guinobatan and RB San Jacinto, shared their success in pilot-testing their new loans and deposit products using the *MABS Approach*. Ms. Ellen Metica, Microfinance Unit Head of the Bangko Kabayan, gave a presentation on her bank's key best practices in loan product design, loan portfolio and delinquency management, and marketing. Bangko Kabayan is a third rollout bank and a two-time MABS EAGLE Awardee.



(Left to right) Ms. Ellen Metica (Bangko Kabayan), Ms. Noemi Andamo (RB San Jacinto), and Mr. Paulo Honrado (RB Guinobatan) answer participants' questions during an open forum at the first MSP Banks Roundtable Meeting.

Micro-agri Loan Product Training

Twenty-two participants from five MABS Participating Banks (PBs) completed the Micro-Agri Loan Product Development Training held from September 27 – 29 in Davao City. The five banks - GreenBank of Caraga, RB Cantilan, Kapatagan Valley Bank, Banco Santiago de Libon, and RB Tacurong – were selected to pilot MABS' micro-agri loan program.

Ms. Arelis Gomez, a microfinance expert from the Dominican Republic, provided the participants with the main features of the micro-agri loan product – procedures, overall lending approach, terms and conditions, follow-up and collection,

and loan management. Ms. Gomez also gave an overview of international micro-agri lending practices and presented implementing guidelines and conditions for success.



MABS Consultant Arelis Gomez, the resource speaker of the Micro-agri Loan Product Training held in Davao City, replies to a participant's query.

The training's sessions on micro-agri lending procedures included topics on: loan manual development; client identification; cashflow analysis, and character and background investigation (CIBI). Ms. Gomez also suggested preventive measures for curbing loan delinquency and tips on monitoring loan reports.

ARMDEV Completes 4th Rollout Training

Twenty-two participants from four rural banks, comprising the fourth rollout of MSP Associated Resources for Management and Development (ARMDEV), completed the Loan Administration and Management Module, the last module of the *MABS Approach Training and Technical Services* package.

ARMDEV consultants will provide the banks with on-site technical assistance in early October as they process their first loans. The four banks that completed training are: Rural Bank of Bagabag, Center for Agriculture and Rural Development (CARD) Bank, Community Rural Bank, and the Rural Bank of Makiling.

Federation of Quezon Rural Bankers Meeting

The Federation of Quezon Rural Bankers Inc. held a meeting on September 30 at the Quezon Capital Rural Bank in Lucena City. MABS Chief of Party John Owens gave a presentation on the activities of the MABS Program and on the *MABS Approach*. Representatives from the Malayan Insurance Company also attended the meeting to provide Quezon rural bankers with information on their new micro-insurance product.

MABS BANKS MICROFINANCE PERFORMANCE REPORT
CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)
SEPTEMBER 2004

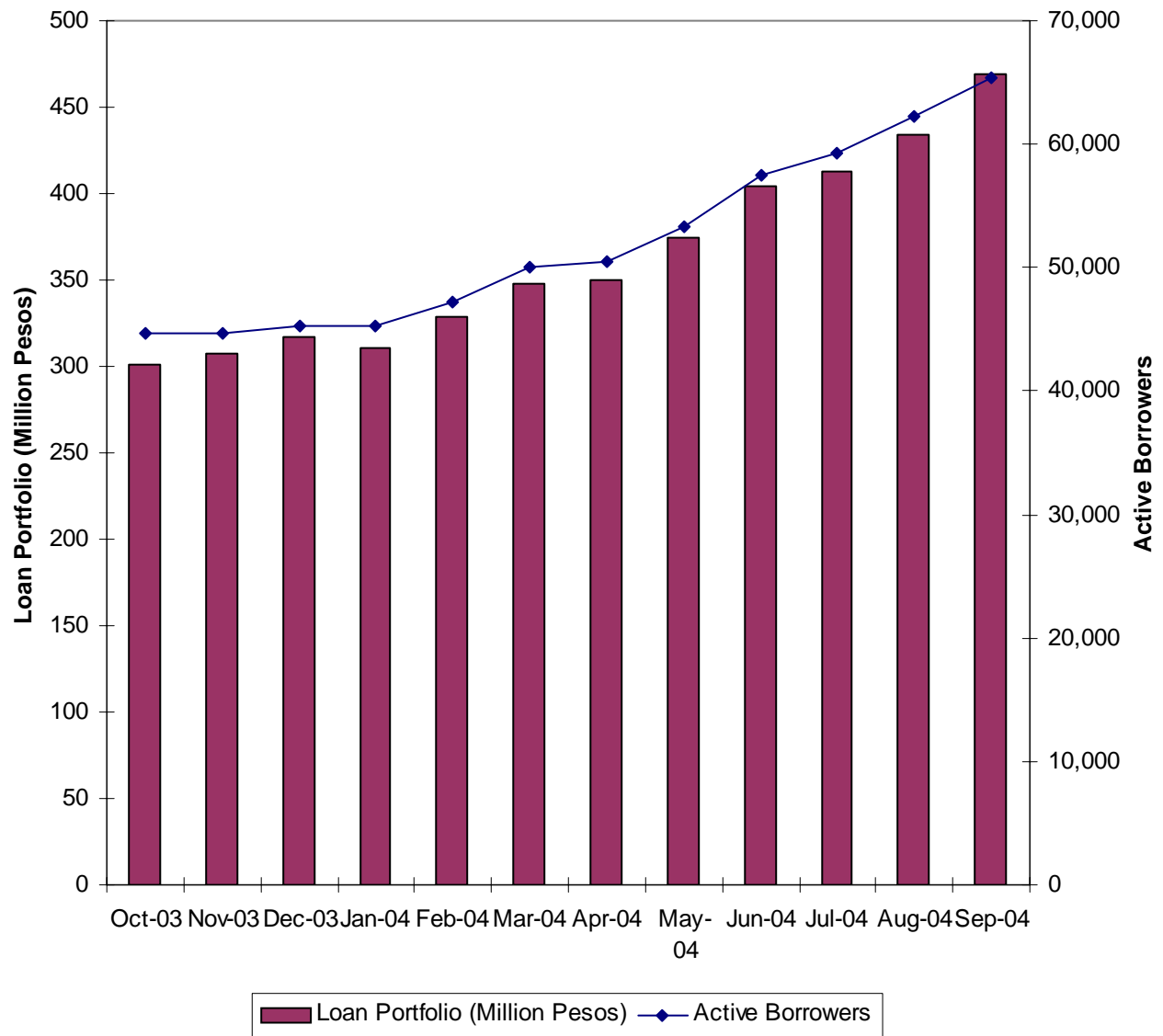
PERFORMANCE DATA	LUZON	VISAYAS	MINDANAO	TOTAL
Number of banks (reporting)	22	3	26	51
Number of participating branches (reporting)	64	16	97	177
Number of banks (trained/on-training)	12	8	1	21
Total number of banks	34	11	27	72
Total number of participating branches	76	24	98	198
Number of active borrowers outstanding	12,450	3,704	49,295	65,449
Number of new borrowers	816	306	4,197	5,319
Number of repeat loans	1,150	999	7,849	9,998
Loan portfolio balance	107,293,617	35,835,658	325,838,856	468,968,131
Net change in number of deposit accounts	13,023	18,369	210,718	242,110
Net change in deposit balance	45,623,566	24,679,062	293,138,457	363,441,085
Number of microfinance field staff	127	43	380	550
Number of microfinance field staff per branch	2	3	4	3
Number of loans disbursed during the month	1,966	1,305	12,046	15,317
Cumulative number of new borrowers	18,030	6,991	131,797	156,818
Cumulative number of loans disbursed	42,271	26,238	371,559	440,068
Amount of loans disbursed during the month	38,973,950	20,814,000	131,786,562	191,574,512
Cumulative amount of loans disbursed	679,256,449	355,305,967	3,765,108,101	4,799,670,517
Portfolio at risk more than 7 days	4,671,959	413,619	17,784,637	22,870,215
Portfolio at risk more than 7 days (%)	4.35%	1.15%	5.93%	5.48%
Portfolio at risk more than 30 days	3,351,249	214,165	11,836,502	15,401,916
Portfolio at risk more than 30 days (%)	3.12%	0.60%	3.95%	3.69%

MONTHLY INCOME AND EXPENSE	LUZON	VISAYAS	MINDANAO	TOTAL
Financial income				
Interest income on loans	3,893,124	1,669,748	14,612,281	20,175,153
Service charge	1,362,553	787,773	6,717,572	8,867,898
Penalty fee on loans	947,749	37,847	297,549	1,283,145
Total financial income	6,203,426	2,495,368	21,627,402	30,326,196
Total financial expense	473,938	104,874	2,166,125	2,744,937
Gross financial margin (spread)	5,729,488	2,390,494	19,461,277	27,581,259
Loan loss provision	491,603	44,776	1,148,333	1,684,712
Net financial margin	5,237,884	2,345,718	18,312,944	25,896,546

Micro Loan Portfolio

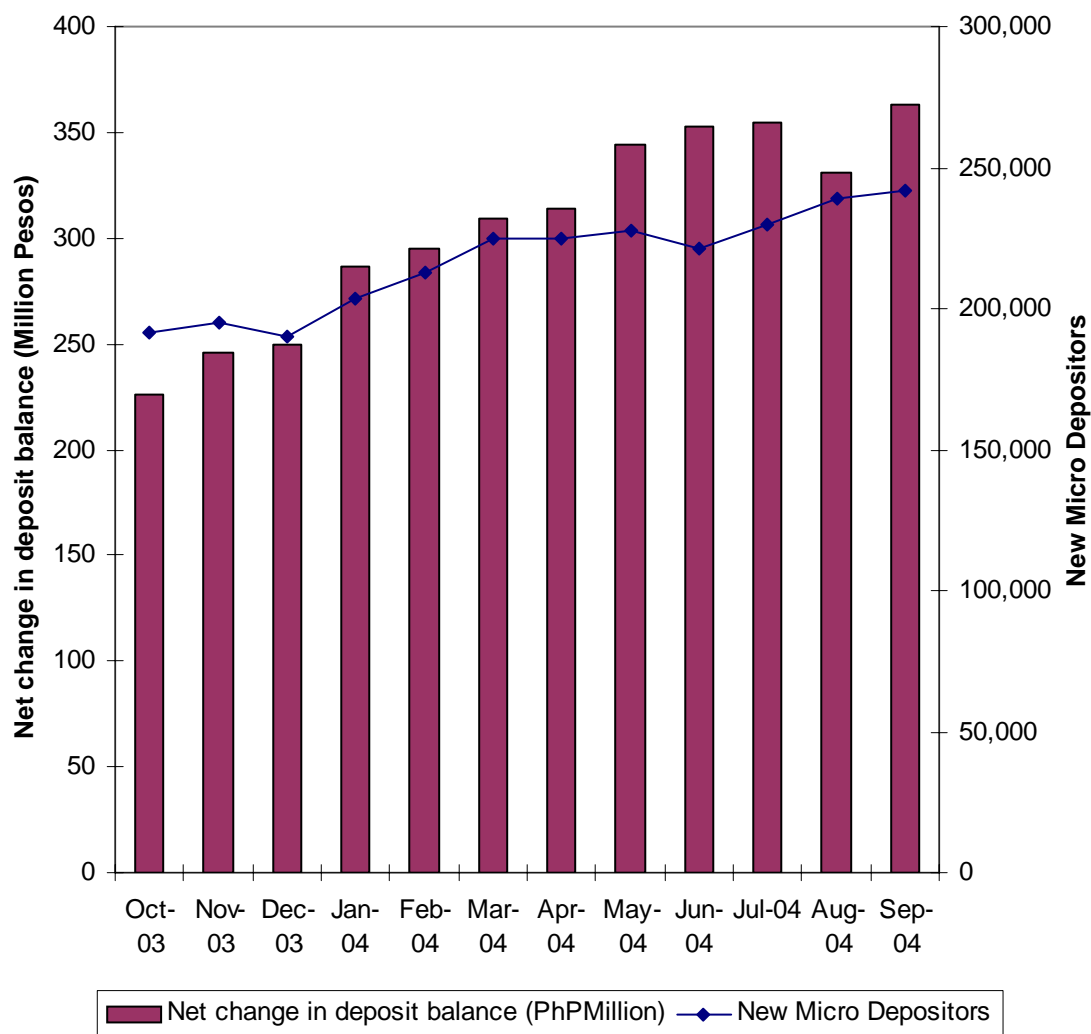
MABS Participating Banks

October 2003 – September 2004



	Loan Portfolio (Million Pesos)	Active Borrowers
Oct-03	301.32	44,658
Nov-03	307.66	44,683
Dec-03	316.71	45,216
Jan-04	310.56	45,228
Feb-04	329.02	47,222
Mar-04	347.69	49,978
Apr-04	349.94	50,476
May-04	374.93	53,344
Jun-04	404.36	57,444
Jul-04	413.14	59,324
Aug-04	433.97	62,212
Sep-04	468.97	65,449

Growth in Micro Savings Deposits* **MABS Participating Banks** **October 2003 – September 2004**



	Net change in deposit balance (PhPMillion)	New Micro Depositors
Oct-03	225.69	191,662
Nov-03	245.79	194,778
Dec-03	249.75	189,906
Jan-04	286.69	203,295
Feb-04	295.18	213,060
Mar-04	309.51	224,835
Apr-04	314.20	225,007
May-04	344.58	227,603
Jun-04	352.42	221,085
Jul-04	354.99	229,879
Aug-04	331.18	239,182
Sep-04	363.44	242,110

* Deposit balance and depositors exclude baseline deposit balance and depositors when MABS started to work with the rural bank.